

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2397

January 7, 2010

SUMMARY OF BILL: Requires insurance companies to provide the insured notice concerning the status of the insured's wrecked or damaged passenger motor vehicle and an opportunity to choose whether to retain ownership of such vehicle. Makes non-compliance a violation of the Unfair Trade Practices and Unfair Claims Settlement Act of 2009.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Not Significant
Increase State Expenditures – Not Significant

Increase Local Revenue – Not Significant
Increase Local Expenditures – Not Significant

Assumptions:

- This bill places additional notification requirements on private entities.
- Based on information provided by the Department of Revenue, there would be no fiscal impact to the Department because such vehicles are required to be titled as wrecked or damaged under current law. The only difference is who retains ownership of the vehicle; the insured or the insurance company.
- According to the Department of Commerce and Insurance, the Department would be required to handle complaints and be responsible for enforcing the provisions of the Unfair Trade Practices and Unfair Claims Settlement Act of 2009. The Department has indicated that it could handle complaints with existing resources.
- There will not be a sufficient number of prosecutions for state or local governments to experience any significant increase in revenue or expenditures.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

SB 2397

James W. White, Executive Director

/rnc